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USDOC FOR 532/OEA/M. NICKSON-D/WILLIAM HIGGINS
USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL
USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: NIKUNJ EXIMP ENTERPRISES
PVT. LIMITED, MUMBAI, LICENSE NO. D398223

REF: USDOC 03928

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. On July 30, 2008, Export Control Officer (ECO) Paul Cushman and FSN Shailendra Srivastava conducted a Pre-License Check (PLC) at Nickunj Eximp Enterprises Pvt. Limited (NEE) in Mumbai.

¶3. BIS requested a PLC at NEE, located on Maharshi Karve Road, Marine Lines. NEE is listed as the intermediate consignee of 0.5 grams of boron carbide powder controlled under ECCN 1C011. The ultimate consignee is Vikram Sarabhai Space Center (VSSC), a Government of India enterprise. The license applicant is Bayville Chemical Supply Company of Deer Park, New York.

¶4. ECO and FSN Srivastava met with Mr. Nickunj Shah, Chairman & Managing Director, and Mr. Kader Munawar, Executive Vice President (Operations), NEE.

¶5. NEE representatives were familiar with BIS regulations. In October 2003 and March 2005, BIS officials conducted Post-Shipment Verifications at their facility.

¶6. This meeting was held in Shah's office at NEE. Shah provided copies of the VSSC Tender Invitation, NEE Quotation, VSSC Purchase Order, NEE Purchase Order and VSSC End-Use Statement (Form BIS-711).

¶7. Shah stated that NEE is a trading company. In the case of this transaction, VSSC posted a bid solicitation on the internet. NEE was the low bidder and was awarded the VSSC procurement contract for the boron carbide powder. NEE then placed the order with Bayville Chemical Supply Company. Shah stated that VSSC ordered this material for study of its abrasive characteristics by their doctoral students.

¶8. Established in 1987 and headquartered in Mumbai, Nickunj Eximp Enterprises serves as the Indian distributor for several foreign manufacturing and trading companies. NEE employs approximately 300 personnel. Nickunj Shah, a high school graduate, is the company's founder, chairman and managing director. Shah volunteered that all of NEE's customers (8,000 - 10,000) are within India. When challenged, Shah reiterated that NEE has no customers outside of India. ECO asked Shah if he understood the concept of and the importance of "Know Your Customer" as it relates to non-proliferation efforts. Shah responded affirmatively and when asked to expound, Shah stated that he and his staff know all of their customers personally because they physically visit each customer's facility and meet the key players. When ECO began to discuss BIS regulations, Shah interrupted him and asserted, "We've been dealing with the U.S. for umpteen [sic] years. We know all the

rules and regulations." Shah mentioned that NEE is the authorized distributor for Carbone of America, a manufacturer of carbon and graphite products. Shah then expressed frustration with U.S. export controls and the difficulty he is having sourcing graphite from America. He mentioned that in 2005, BIS denied an export license to Bharat Forging Ltd. for a shipment of graphite (NEE was intermediate consignee). Shah explained that in the past, he sourced graphite from the United States almost exclusively. However, since the tightening of U.S. export controls, he now sources most of his graphite from Germany, Russia, China, and Japan. Website: www.nickunjgroup.com.

19. Recommendation: Nickunj Eximp Enterprises appears to be a suitable recipient of this controlled material. NEE cooperated fully with the BIS team, has a customer (the end-user) with an apparent legitimate need for the material. Furthermore, Nickunj Shah asserted that he and his staff understand their responsibilities with respect to the Export Administration Regulations.

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